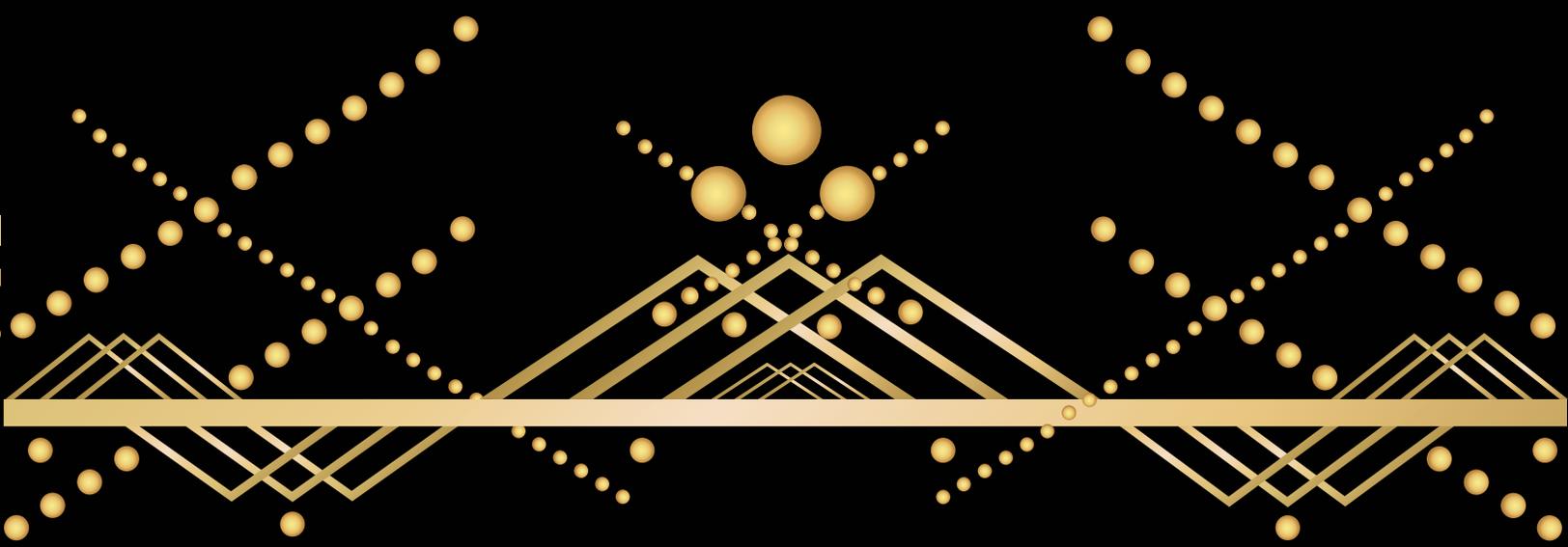


64<sup>TH</sup>  
ANNUAL  
MEETING





# AGENDA

## **64th Annual Meeting** **August 11, 2020**

Call Meeting to Order

**Appointment of Recording Secretary**

Determination of Quorum

**Last Year's Minutes**

Reports to the Membership

- Report of Directors

- Report of the Treasurer

- Report of the Supervisory Committee

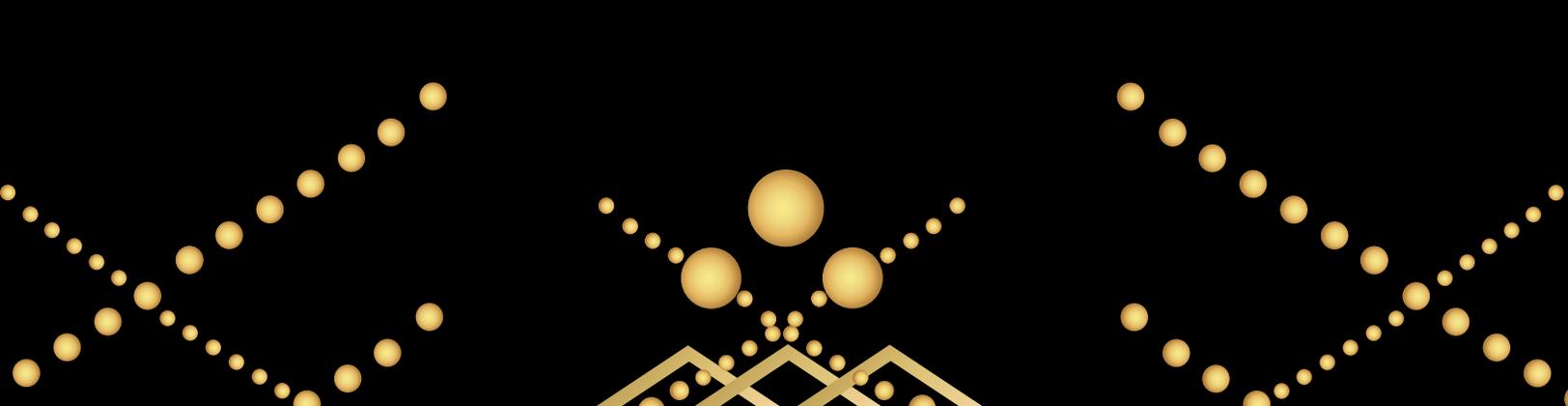
- President's Report

**Unfinished Business**

Other New Business

**Elections**

Meeting Adjourned





## **2019 ANNUAL MEETING MINUTES**

### **April 9, 2019**

Chairman Tony Gustin called the 63rd Annual meeting of the Shareholders to order at 6:01 p.m. in the Alice Ghostly Auditorium at the Henryetta High School, Henryetta, Oklahoma.

Chairman Tony Gustin asked Rick Fowler to lead us in prayer. The flag salute was led by Boy Scout Troup 102.

Chairman Tony Gustin appointed Pam Matthews as recording secretary.

President/CEO David Dykes declared there was a quorum.

Mr. Gustin stated the 2018 Annual Meeting Minutes are on page 11 and 12 of the report. He asked for any questions or corrections. Hearing none, he asked for approval of the Minutes. George Dunn made the

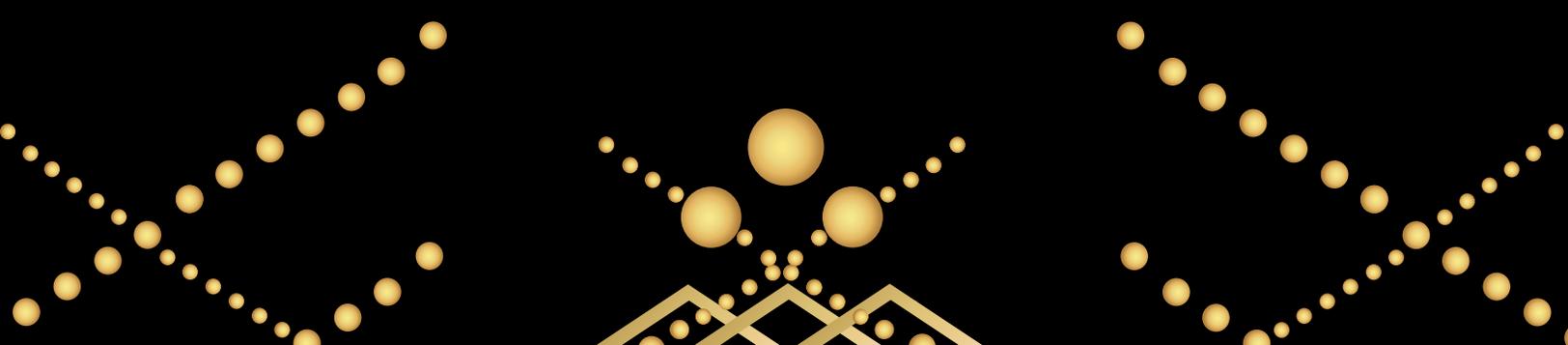
motion, second by Brad Osborne and VOTED: To approve the 2018 Annual Meeting Minutes.

*Motion carried.*

Chairman Tony Gustin stated the Chairman's report was on page 6 and asked for any questions. Hearing none, he declared the report received.

Chairman Tony Gustin introduced the Board of Directors. He also recognized the staff, saying, "They were a great bunch of people to be around."

Chairman Tony Gustin stated that the Secretary/Treasurer's Report was on page 9 and asked for any questions. Hearing none, he asked for approval of the 2018 Financials. Mary Osborne made the motion, second by Mark Crawford and



VOTED: To approve the 2018 Financials.

*Motion carried.*

Chairman Tony Gustin stated that the Supervisory Committee Report was on page 14 and asked for any questions of Bob Varner or Committee members. Hearing none, he declared the report received. He then introduced the Supervisory Committee members.

Chairman Tony Gustin introduced President/CEO David Dykes, who discussed the highlights of his report, which are on page 3.

Mr. Dykes recognized the credit union staff for all six locations. In 2018, the First Family team members performed over 377,000 in person transactions, approved over \$42 million in loans, and opened 2,148 new memberships. He was quoted saying, "This group of people make me so much better than what I truly am. This group makes it a pleasure for me to come to work!"

He recognized employees who reached a milestone. Five years, Tonya Henley and Serena Ray; Ten years,

Destiny Crosby; and Twenty-five years, Carrie Marek.

Dykes also gave a big thank you to the Board of Directors and Committee Members. He said, "They have put up with my crazy ideas and thoughts, and on some occasions, have made my crazy ideas worse."

He mentioned this year we are working hard to add even more value for being a member of First Family:

- Financial Well-being – Your board and staff are committed to being more than the place where you do financial transactions. We want to do everything we can to make you and your family stronger financially.
- Last year we introduced you to Budget or Bust, a half day financial education camp for ages 10-13. The youths were introduced to the difference of spending money on needs versus wants, and savings habits. This year we will expand this program to include young adults. We are making plans to expand our youth programs this summer. We want to teach our older



teens how important is one's credit score, how to buy a first car, and how to do financial transactions.

- Up to 30-year fixed mortgages including Manufactured Home financing option. Members will now have the option of up to a 30-year fixed interest rate if purchasing a home, refinancing a home or purchasing a manufactured home affixed to property. Please reach out to one of our loan team members to see if we can be of assistance.

- Down Payment Assistance grants – This may be the tool that assists a first-time home buyer with making the switch from a renter to an owner. The first member that qualified for this assistance received over \$6,000.00 in assistance for a down payment.

In closing, Dykes thanked the members for allowing him to serve the membership.

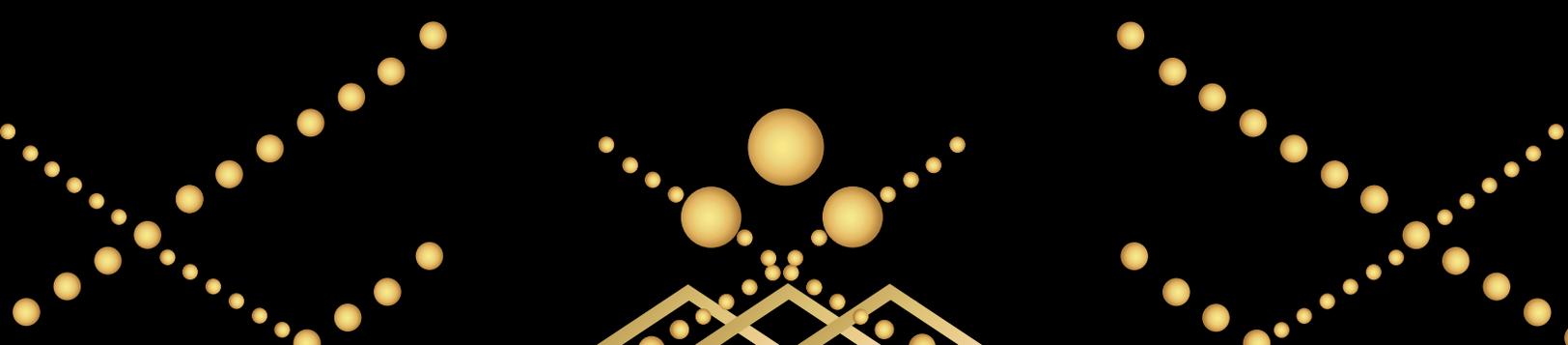
To the staff, board and members, he stated, *"I look forward to coming to work because of you, thank you."*

UNFINISHED BUSINESS - None

NEW BUSINESS - None

ELECTIONS – Chairman Tony Gustin reported that no election petitions were received, and the following board members were therefore elected by acclamation: Irma Walker, Natalie Kerby, and Charles Wilson.

ADULT DRAWINGS – \$200.00 winners: Charles Osborne, Daniel Gersheas, Donna Martin, Ethan Evans, and Fred Linnabary. \$100.00 winners: Laurie Dacus, Ramona Withrow, Brandon Blevins, Cheryl Holden, Jack Cantrel, Crystalyn Cook, Bob Seebeck, Katherine Spurlock, Gloria Wilson, and C.D. Bleeker. \$50.00 winners: Jack Fowler, Vicky Smith, Shawn Counts, Ramona Styles, David Tedlock, Rebecca Roberts, Martha Fry, Irene Parks, Dee Taber,

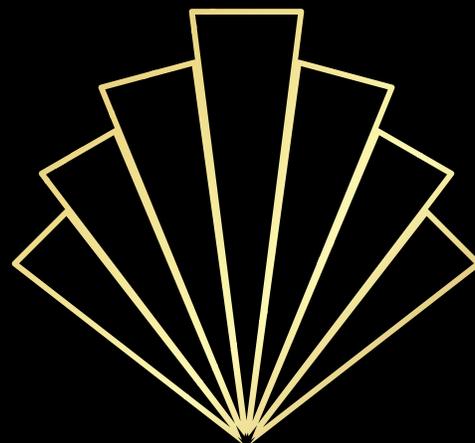




Josette Frye, Nancy Crockett, Nora Donathan, Nancy Duke, Erika Harjo, Roger Wilson, Tom Hart, Richard Colbert, Alta Smith, Alychia Crawford, and Barbara Hubbs.

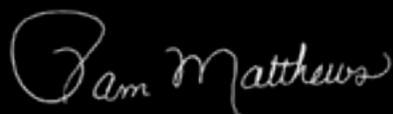
**CHILDREN'S DRAWINGS – \$50.00**

winner: Levi Skaggs, Kacey Osborne, Elizabeth Scudder, Jordan Miller, and William Morris, Jr. \$20.00 winners: Cash Roberts, Navie May, Duey Richardson, Michael Ray, Megan Issacs, Calvie Baker, Karter Hargis, Dillon Lee, Anna Marie Vandiver, and Stormy Waquie.



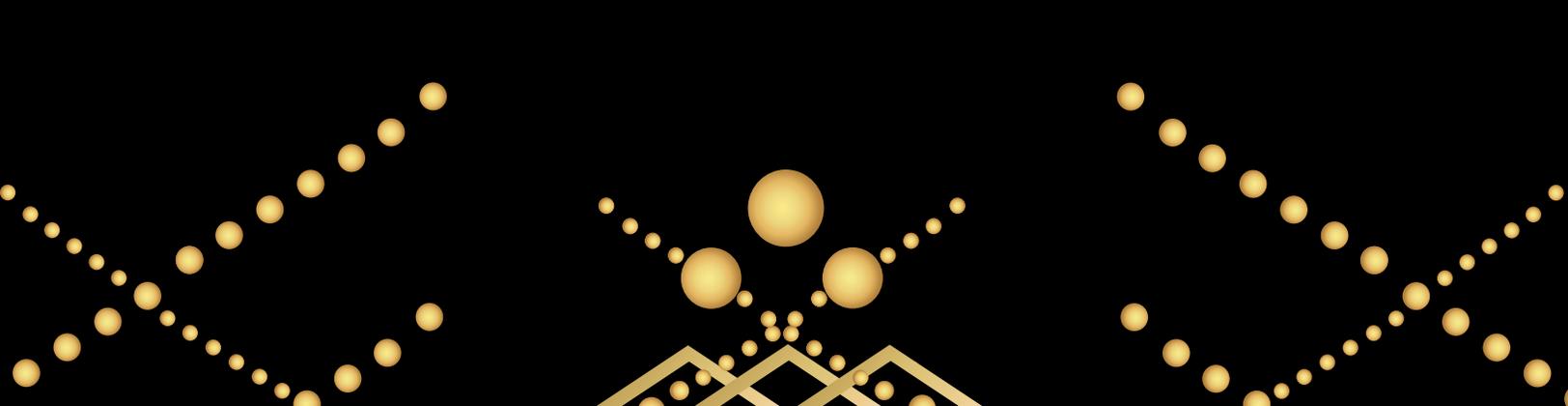
Copper the Coin Dog presented each child under sixteen with a dollar coin.

With no further business, the meeting adjourned at 6:40 p.m.



**Pam Matthews**

Recording Secretary



## CHAIRMAN ADDRESS

Welcome to the 64th annual meeting of First Family Federal Credit Union. I want to thank you for being here, and I applaud you for being truly connected member-owners.

I want to first recognize my fellow board members for their leadership, dedication, and passion for this credit union. The strength of their commitment is key to our long-term sustainability and prosperity. And to our members, I'm greatly humbled by the trust you've placed in us. As a united body of leadership, we are responsible for ensuring that we have a competent, qualified, and trustworthy management team, and I can say unequivocally that we do.

As you can see in the Annual Report, First Family performed well in 2019. Some of the highlights of that report include:

As our credit union membership grows, so do our assets, which is one of the primary indicators of how well our members are receiving the products and services we offer. Our current assets are over \$101 Million, an increase over 2018 of 12.95% percent. Membership now stands at 15,202.

Favorable interest rates and a strengthening economy motivated many of you to buy new or previously owned vehicles. In fiscal year 2018-2019, First Family wrote 3,618 auto loans worth more than \$42 Million.

It's a testament to our strength as a financial institution that so many of you are turning to your credit union for your Financial needs. In 2019, First Family performed over 376,000 in person financial transaction for our members plus the millions of electronic transactions.

Last year, First Family performed exceedingly well. We generated \$720,121 in net income.

Our board of directors is a diverse group of talented individuals with a broad range of financial and managerial expertise that together makes a top-notch board to lead us into the future. With the addition of Steve Norman, I'm confident that his knowledge and experience will prove to be a great asset to this board and this credit union.

Thank you, ladies and gentlemen. I wish you and your families the very best in 2020.



**Tony Gustin**  
Chairman

## SECRETARY / TREASURER'S REPORT

Again, First Family's balance sheet are experiencing record highs in 2019. Total Assets reached a record high of over \$101 million, Total Loans reached a record high of almost \$79 million, Total Deposits reached a record high of over \$91 million and Net Income surpassed \$720 thousand, which resulted in our Net Capital Ratio of 9.30%. Loan and deposit growth are attributed to our continued competitive interest rates and deposit rates, which is how you, our owners, receive repayment on your investment in the credit union.

First Family Federal Credit Union's financial growth is illustrated in the chart below:

	2016	2017	2018	2019
<b>Assets</b>	\$79,785,329	\$85,944,305	\$89,939,676	\$101,589,580
<b>Loans</b>	\$60,742,074	\$69,788,235	\$75,298,099	\$78,928,171
<b>Deposits</b>	\$72,077,770	\$77,197,917	\$80,108,791	\$91,346,719
<b>Net Income</b>	\$346,475	\$336,901	\$1,065,955	\$720,121
<b>Net Capital</b>	9.19%	8.93%	9.72%	9.30%

Our 2019 NCUA Federal Examination confirmed that our credit union continues to operate in a safe and sound manner.

First Family Federal Credit Union continues to receive high Federal Examination ratings from NCUA.

I look forward to serving you,



**Natalie Kerby**  
Secretary/Treasurer



## **SUPERVISORY AUDIT COMMITTEE**

**The Supervisory Audit Committee** has the responsibility to make certain that all facets of First Family Federal Credit Union's operations are compliant with laws, regulations and board policies.

The Supervisory Audit Committee selects and employs an audit firm to provide an independent audit to review compliance for all member activities and services offered by First Family Federal Credit Union.

The 2019 Annual Supervisory Audit was conducted in accordance with generally accepted accounting principles by CU Resources. The report critically and systematically examined the internal controls, statements, records, accounting transactions and other financial records of First Family Federal Credit Union. A complete report of the annual audit is given to the Supervisory Committee.

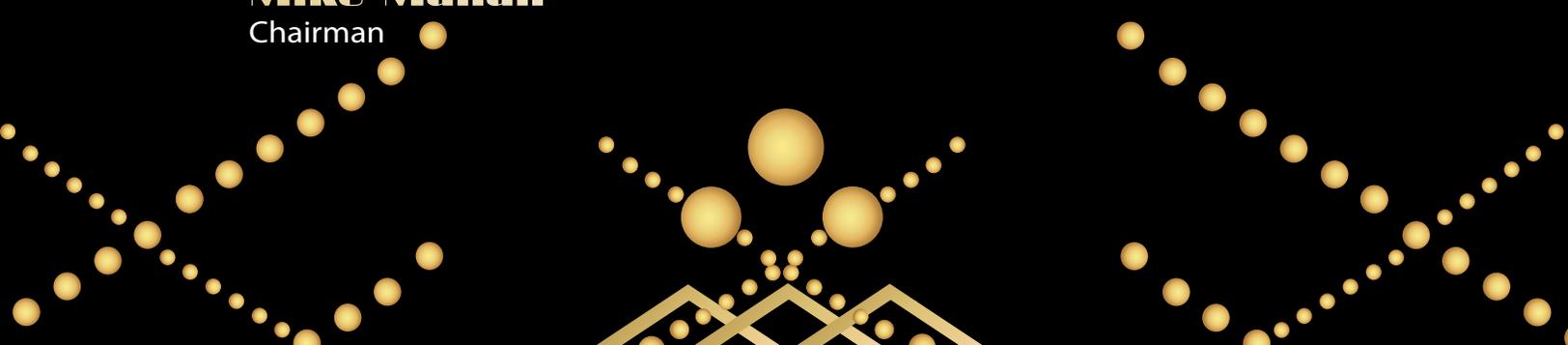
I'm very pleased to announce that again this year First Family is a well-capitalized financial institution, with a strong net worth ratio of 9.30% percent. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our regulators.

The National Credit Union Administration also conducts a thorough annual financial examination of the records and practices of the First Family Federal Credit Union.

The results of examination and audit are reported to the Board of Directors. The Supervisory Audit Committee is satisfied that the records of First Family are accurately maintained in accordance with generally accepted accounting principles and standards.



**Mike Mahan**  
Chairman



## President's Report

Welcome to the 2020 Annual Meeting of First Family Federal Credit Union. I'm delighted to be here with you at our 64th annual meeting.

When you joined our credit union with your initial deposit, you became one of the most important people in the credit union industry: a member-owner. That initial deposit was your share in First Family, and it empowered your voice in your financial institution. Credit unions operate on a "one member, one vote" principle, so when you participate in the voting process, you're contributing to the growth and potential of your credit union.

As a result, we can offer you lower rates on loans, higher rates on savings, and fewer fees—not to mention more personalized service. Across the country, credit unions provide more than \$12 billion in financial benefits to members annually. In short, credit unions put people over profits.

Since our credit union's founders opened for business in 1956, we've grown to 15202 members and our assets have grown to over \$101 Million. We are proud of how far we've come, and I know our many accomplishments would not have been possible without the ongoing energy, optimism, commitment, and servant hearts of everyone involved in the operation of this credit union. Because of the work we've all done together, this credit union is thriving.

From a business perspective, your credit union continues its steady trajectory forward and upward, with our focus finely tuned to the things that really matter to our members. As such, we were able to bring our "people helping people" mantra to life in a number of ways that helped not only our members, but our communities.

- Shared Branching, now over 5000 branches available across the US to serve members
- Financial Well-being, Bingo Education and Budget or Bust Youth Financial Camp
- Continued Community involvement throughout the 10 counties we serve
- Free Car Fax services for members
- Improved Mobile App

And for 2020, we plan to continue excellent member service by the addition of:

- New Branch Location in McAlester with drive-thru and ATM services
- Rewards Checking

We promise that First Family will continue to grow responsibly while listening and responding to your needs. Our member-owners are integral to our credit union family, and we are sincerely grateful that you've chosen First Family as your financial partner. We wish you a healthy and prosperous 2020.



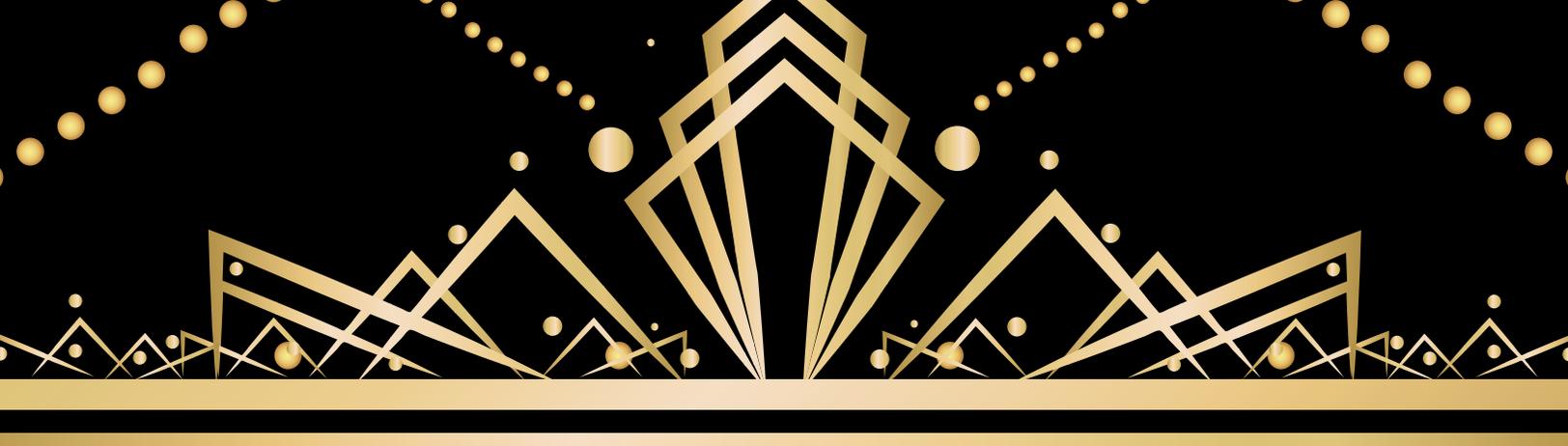
**David Dykes**  
CEO/President

## STATEMENTS OF FINANCIAL CONDITION

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Cash and Cash Equivalents	\$3,230,331	\$2,954,958	\$3,021,667
Investments	\$11,347,302	\$5,418,653	\$7,306,993
Loans to members	\$79,100,323	\$75,357,703	\$69,950,531
Reserve for Loan Loss	-\$709,075	(\$867,000)	(\$677,078)
Property and Equipment	\$5,763,152	\$4,408,403	\$3,722,955
Accrued Interest on Loans & Investments	\$303,988	\$289,989	\$251,788
Prepaid Expenses & Other Assets	\$1,728,495	\$1,623,538	\$1,591,849
Reserve Deposit - NCUA	\$825,064	\$753,432	\$775,599
<b>TOTAL ASSETS</b>	<b>\$101,589,580</b>	<b>\$89,939,676</b>	<b>\$85,944,305</b>
<b>LIABILITIES &amp; EQUITY</b>			
Share Accounts	\$91,346,720	\$80,108,791	\$77,197,918
Accrued Expenses	\$528,016	\$615,362	\$376,959
Accrued Dividends	\$124,417	\$84,315	\$64,883
Accrued Taxes Payable	\$12,019	\$12,811	\$12,016
Other Payables	\$730,185	\$1,028,054	\$1,151,234
<b>TOTAL LIABILITIES</b>	<b>\$92,741,356</b>	<b>\$81,849,333</b>	<b>\$78,803,009</b>
Equity, Retained Earnings	\$8,848,224	\$8,090,343	\$7,141,296
<b>Total liabilities &amp; Equity</b>	<b>\$101,589,580</b>	<b>\$89,939,676</b>	<b>\$85,944,305</b>

## STATEMENTS OF INCOME

<b>INCOME</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Interest on Loans	\$4,590,467	\$4,187,886	\$3,734,843
Income from Investments & Other Income	\$2,645,542	\$2,645,542	\$2,130,857
<b>TOTAL INCOME</b>	<b>\$7,236,009</b>	<b>\$6,833,428</b>	<b>\$5,865,699</b>
<b>EXPENSES</b>			
Dividends on Share Accounts	\$1,060,736	\$651,711	\$536,004
Interest on Borrowed Funds	\$480	\$1,984	\$247
Operating Expenses	\$5,456,912	\$5,485,782	\$5,017,348
<b>TOTAL EXPENSES</b>	<b>\$6,518,128</b>	<b>\$6,139,477</b>	<b>\$5,553,600</b>
<b>Non-Operating Gains (Loss)</b>			
Gain (Loss) on Disposition of Assets	(\$2,550)	(\$3,303)	\$24,802
Other Non-Operating Income	\$4,790	\$585,076	
<b>Net Income</b>	<b>\$720,121</b>	<b>\$1,275,724</b>	<b>\$336,901</b>



## **VISION STATEMENT**

Let's Succeed Together!

## **MISSION STATEMENT**

First Family Federal Credit Union is committed to building life-long relationships by making a positive difference in the financial lives of our members and communities we serve.

